

## Message Text

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PAGE 01 TEHRAN 03104 131226Z  
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 INRE-00 NSCE-00 CIAE-00 /026 W  
-----131229Z 053455 /17/43

R 111217Z APR 77  
FM AMEMBASSY TEHRAN  
TO SECSTATE WASHDC 1998  
AMEMBASSY KABUL  
INFO AMEMBASSY ISLAMABAD

C O N F I D E N T I A L TEHRAN 3104

EXDIS

C O R R E C T E D C O P Y (EO LINE)

EO 11652: XGDS-1 (DECONTROL 1990)  
TAGS: PFOR, EAID, IR, AF  
SUBJ: IRAN-AFGHANISTAN RELATIONS

REF: KABUL 2345, TEHRAN 2901

1. ACCORDING TO AMBASSADOR ZALMAY MAHMUD-GHAZI, KHALATBARY WAS DILATORY IN MEETING APRIL 4 REGARDING EXCHANGE OF RATIFICATION DOCUMENTS FOR HELMAND WATERS TREATY. GHAZI INTERPRETS THIS AS IRANIAN WAY OF DELAYING AND MAKING THEIR POINT THAT THEY ARE NOT HAPPY WITH WATER SITUATION, WHICH BOILS DOWN TO KAMAL KAHAN DAM. AT THE SAME TIME, GHAZI EVENTUALLY CONFIDED THAT IRANIANS MADE A NEW PROPOSAL, TO WIT, THAT THEY WOULD FUND INCREASE IN HEIGHT OF KAZHKAI DAM BY EIGHT TO TEN METERS. GHAZI EXPLAINED THIS WAS ONE OF THE EARLY DAMS BUILT BY AMERICAN COMPANY AFTER WORLD WAR II. IRANIAN OFFER IS TO FUND INCREASE IN HEIGHT WHICH IS TECHNICALLY QUITE POSSIBLE AND WOULD RESERVE FOR AFGHAN USE CONSIDERABLY MORE WATER THAN PRESENTLY RESERVED BY THAT DAM. HE ESTIMATED COST PROBABLY INVOLVED SOMEWHERE IN \$15-\$20 MILLION RANGE.

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2. GHAZI TOLD ADCM APRIL 11 THERE WAS NO QUESTION IN HIS MIND THAT ORDERS HAVE GONE DOWN FROM THE SHAH STOPPING COOPERATION ON VARIETY OF PROJECTS WITH AFGHANS UNTIL MATTER OF KAMAL KAHAN DAM HAS BEEN RESOLVED. HE NOTED A NUMBER OF PROJECTS SUCH AS PROPOSED SUGAR BEET PLANTATIONS AND PROCESSING FACTORY HAVE BEEN STALLED FOR .9,5# . FEASIBILITY STUDY OF RAILROAD FROM IRANIAN

BORDER TO KABUL HAD BEEN COMPLETED, BUT GHAZI DOUBTED ANYTHING WOULD COME OF THAT PROJECT, LIKELY TO COST SOME \$1.2 BILLION. ON THE OTHER HAND, HE THOUGHT IRANIANS WOULD MOVE ON SEVERAL OTHER PROJECTS IF IT WERE NOT FOR THE KAMAL KHAN ROADBLOCK.

3. GHAZI AGAIN REHEARSED THE LACK OF LOGIC IN KAMAL KHAN; IN FACT IT WOULD COST AT LEAST \$30 MILLION TO NO APPARENT PURPOSE (SEE TEHRAN 1020). HE SPOKE OF COTERIE OF ADVISORS WHO HAD PUSHED THIS PROJECT ALMOST CERTAINLY AT SOVIET INSPIRATION. HE NAMED IN PARTICULAR MINISTER OF LANDS AND IRRIGATION AS WELL AS DIRECTOR GENERAL FOR ECONOMIC AFFAIRS IN MFA, WHOSE LEFT-LEANING ASSOCIATIONS WHEN HE WAS A STUDENT AT GRENOBLE WERE WELL KNOWN TO AMBASSADOR GHAZI.

4. IN REGARD TO KANDAHAR CEMENT PLANT, GHAZI THOUGHT THERE IS NO CHANCE OF MOVING IRANIANS AS LONG AS PRESENT SITUATION IS UNCHANGED, AND HE COULD NOT BLAME THEM. THEY ARE MAKING LOGICAL PROPOSALS, INCLUDING CANAL AND OTHER DEVELOPMENT PROJECTS WHICH WILL BE OF MUCH GREATER VALUE THAN KAMAL KHAN DAM. INSTEAD OF ADMITTING THESE FACTS, RESPONSIBLE OFFICIALS IN KABUL GET ON THEIR HIGH HORSE AND SAY THEY DO NOT CARE WHAT IRANIANS THINK. THE FACT IS, GHAZI CONCLUDED, AFGHANS ARE VERY MUCH DEPENDENT ON IRANIAN GOOD WILL.

5. COMMENT: WHILE EMBOFFS WILL TAKE APPROPRIATE OCCASION TO INQUIRE INTO STATUS OF IRANIAN FUNDING FOR KANDAHAR  
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PLANT, IT IS CLEAR FROM WHAT GHAZI TELLS US THAT IRANIANS DO NOT INTEND TO MAKE ANY MORE INVESTMENTS OR GIVE ANY MORE ASSISTANCE TO AFGHANISTAN UNDER PRESENT CONDITIONS. IN BRIEFING US, GHAZI ADDED THE CAVEAT THAT HE RECALLED HAVING SPOKEN FRANKLY TO AN AMERICAN AID OFFICIAL SOME TWO YEARS AGO ON AFGHAN-IRANIAN QUESTIONS. THE NEXT TIME HE SAW PRESIDENT DAOUD, DAOUD PULLED OUT OF HIS DRAWER A COPY OF THAT OFFICIAL'S REPORT TO AMBASSADOR ELIOT IN WHICH CONVERSATION WAS THOROUGHLY LAID OUT. THIS PROVED QUITE EMBARRASSING TO GHAZI AND HE ASKED THAT WE BE CAREFUL IN TREATING INFORMATION HE IS PASSING TO US.  
MIKLOS

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## Message Attributes

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